

Advisory Opinion

IECDB AO 2005-02

February 17, 2005

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(11) and rule 351—1.2, the Iowa Ethics and Campaign Disclosure Board issues this opinion on the issue of reporting mileage reimbursements by campaigns. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 68A and 68B and rules in Iowa Administrative Code chapter 351.

OPINION:

Several questions have been raised concerning mileage reimbursements by campaigns. To reduce any confusion, the Board issues this opinion.

Iowa Code section 68A.302(2)“e” in pertinent part states:

“Candidates and campaign workers may be reimbursed for actual mileage for campaign related travel at a rate not to exceed the current rate of reimbursement allowed under the standard mileage rate method for computation of business expenses pursuant to the Internal Revenue Code.”

Therefore, it is a permissible use of campaign funds for a candidate or a campaign worker to be reimbursed for mileage related to the campaign. As mileage is generally a reportable campaign transaction,¹ the issue then becomes how a campaign should disclose mileage.

If the mileage reimbursement is going to be made during the reporting period the mileage expenses were incurred, the reimbursement would be disclosed on Schedule B (Monetary Expenditures) as, for example, “mileage reimbursement – 150 miles @ 37 cents per mile.” The schedule would also show the date the reimbursement was paid and the total amount of the reimbursement.

If the mileage is going to be reimbursed during a different reporting period than when the mileage expenses were incurred, the transaction would be disclosed on Schedule D (Incurred Indebtedness) as, for example, “anticipated mileage reimbursement of 150 miles at 37 cents per mile.” The schedule would also show the name and address of the

individual to be reimbursed and the last day that the mileage was incurred during that reporting period.

If there is not going to be a mileage reimbursement, the total amount of mileage would be disclosed on Schedule E (In-Kind Contributions) as, for example, “150 miles at 37 cents per mile.” The schedule would also show the name and address of the individual and the last day of the reporting period that mileage expenses were incurred.

In closing, the Board reminds all campaigns of the holding in IECDB Advisory Opinion 2001-15 concerning travel done in one year and mileage reimbursements made in another year when the IRS has a different reimbursement rate for each year. In such situations, the Board opined that the rate to be used is for the year that the campaign travel was actually done.

BY DIRECTION AND VOTE OF THE BOARD

James Albert, Board Chair
Janet Carl, Vice Chair
Gerald Sullivan
Betsy Roe
John Walsh
Patricia Harper

Submitted by: W. Charles Smithson, Board Legal Counsel

¹ Iowa Code section 68A.102(10)“b” exempts “transportation provided to a candidate so long as its value computed at a rate of twenty cents per mile does not exceed one hundred dollars in value in any one reporting period” from the definition of “contribution.” Other than this exception, mileage is a reportable campaign transaction.